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Department of Defense
INSTRUCTION

AD-A270 641



June 27, 1985
NUMBER 1400.30

ASD(MI&L)

SUBJECT: Payment of Quarters Allowance in the Republic of Panama

- References:
- (a) Public Law 98-600, Amendment to the Panama Canal Act of 1979, October 30, 1984
 - (b) Executive Order 12520
 - (c) Department of State Standardized Regulations (Government Civilians, Foreign Areas), April 2, 1961, as amended
 - (d) DoD 1400.25-M, "Civilian Personnel Manual," July 30, 1978, authorized by DoD Directive 1400.25, January 24, 1978

A. PURPOSE

This Instruction implements references (a) and (b) and sets forth the policy, prescribes procedures and assigns responsibilities concerning payment of a quarters allowance for certain employees of the Department of Defense serving in the Panama Canal area.

B. APPLICABILITY

This Directive applies to the Office of the Secretary of Defense, the Military Departments, the Organization of the Joint Chiefs of Staff, the Unified and Specified Commands, and the Defense Agencies (hereafter referred to collectively as "DoD Components").

C. DEFINITIONS

1. Employee. An individual who is a United States citizen and who is employed in a position whose permanent duty station is in the Panama Canal area. For purposes of this Instruction, an employee recruited from within the United States shall include any employee who transfers from a foreign area, the Commonwealth of Puerto Rico, or a possession of the United States, as long as that employee was recruited originally from the United States by a U.S. Government Agency and has had substantially continuous service in the foreign area which provided for the employee's return transportation to the United States, the Commonwealth of Puerto Rico, or a possession of the United States.

2. Position. A full-time permanent civilian position with the Department of Defense paid from appropriated funds.

3. Government Agency. (a) Each executive department of the Government, (b) Each independent establishment or agency in the executive branch of the Government, (c) The General Accounting Office, and (d) The Library of Congress.

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D. POLICY

It is DoD policy that:

1. Department of Defense activities in the Republic of Panama may grant a quarters allowance to:

a. Any employee who possesses a transportation agreement, is a citizen of the United States and who, before October 1, 1979, was employed by the Panama Canal Company, the Canal Zone Government, or any other Government Agency in the area then known as the Canal Zone.

b. Any other employee who is a citizen of the United States and who, on or after October 1, 1979, has been recruited from within the United States; for whom Government-owned or leased quarters are not made available.

2. The amount of quarters allowance payable shall be the amount by which the lessor of a. or b. below exceeds the estimated total cost of rent and utilities that the employee would be obligated to pay if Government-owned or leased quarters had been provided on a rental basis:

a. The actual expenses for rent and utilities incurred by the employee while occupying quarters other than Government-owned or leased quarters.

b. The maximum amount that would be authorized for such employee under Department of State Standardized Regulations (DSSR) (reference (c)) if the employee is covered by these regulations.

3. When quarters occupied by an employee are owned by the employee or the employee's spouse or both, an amount equal to 10 percent of the original purchase price of such quarters or 10 percent of the appraised value when title was acquired shall be considered the annual rate for rent for purposes of subsection 2 above. The amount of the rental portion of the allowance is limited to a period not to exceed ten years at which time the employee shall be entitled only to reimbursement for the utility portion.

E. RESPONSIBILITIES

The responsibilities for determining eligibility and payment of the quarters allowance are as follows:

1. Civilian Personnel Officer (CPO) or designated representative acting for the commander in administering the quarters allowance for serviced employees shall:

a. Determine whether a U.S. citizen employee is eligible for the quarters allowance.

b. Request through HQ United States Southern Command (USSOUTHCOM) channels an advance decision from the Head of the Agency on cases of questionable eligibility.

c. Advise each United States citizen civilian employee of the facts that the employee must report and the documents that the employee must furnish as a basis for initial and periodic determinations of eligibility for payment of the quarters allowance. (See DoD 1400.25-M, CPM 592, Appendix C for a suggested letter to an employee and CPM 592, Appendix B (reference (d)) for information and instruction for completing Standard Form (SF) 1190, Foreign Allowance Application, Grant and Report).

d. Determine whether circumstances justify an advance for the quarters allowance.

e. Advise eligible employee of the conditions that would justify the employee's application for an advance payment of quarters allowance.

f. Require each eligible employee to submit a completed SF 1190 as needed with required receipts to permit decisions with regard to:

(1) The revision or termination of the quarters allowance.

(2) The accuracy of quarters allowance costs for submission of scheduled or nonscheduled reports to the Department of State (DOS), Allowances Staff.

g. Verify the employee's reported quarters allowance costs as submitted on SF 1190 or its attachments. This includes such action as:

(1) Returning the form to the employee for additional required information.

(2) Deleting disallowed items of quarters costs.

(3) Assuring that the costs in item 21 of the SF 1190 represent the employee's quarters costs.

h. Decide whether added remarks or documentation (by the employee or the CPO) is necessary in cases involving:

(1) Advance payments of the quarters allowance.

(2) The employee's absence from permanent duty post for leave or detail.

i. Determine whether the "with family" quarters allowance shall be granted under:

(1) Section 134.11, DSSR, pending arrival of family. (See also section 132.3C).

(2) Section 134.12, DSSR, for dependents away at school.

(3) Section 132.2D, DSSR, for all members of the employee's family when "temporarily absent from post."

j. Determine whether continuing the quarters allowance during nonpay status would be in the public interest under section 132.2b(2), DSSR.

k. Determine the effective dates and payment rates of the quarters allowance.

l. Advise employees of their entitlements. The CPO shall return a copy of the SF 1190 promptly to the employee along with any receipts for utilities. The CPO shall retain a copy of all documents related to purchase of quarters, the basic contract for rental quarters, and the Basic Allowance for Quarters (BAQ) statement used in determining the quarters allowance payable to military spouses. The employee shall be advised to retain all receipts for utilities. The SF 1190 shall show the action taken by the CPO. The CPO also shall give the employee blank copies of the SF 1190 so that the employee can submit a revision promptly, if the situation requires it.

m. Provide, when necessary, the servicing Finance and Accounting Office with current information that affects rates and dates of payment for each eligible employee so that the quarters allowance can be computed and paid accurately. The original of an approved SF 1190, with necessary supplementary information, shall be verified and signed by the servicing CPO or designated representative. The approved form shall be sent to the servicing civilian pay office.

n. Submit as scheduled the required quarters allowance reports and off-schedule reports, as appropriate.

2. United States Civilian Employees. Each United States civilian employee who is eligible for a quarters allowance must:

a. Complete the SF 1190 according to instructions and submit it to the CPO. The SF 1190 shall document the authorization to pay a quarters allowance to an employee. Employees shall enter all pertinent data on the SF 1190 and attach all documentary proof of costs. Once quarters costs have been verified (such as rent for leased quarters or initial purchase price for personally-owned quarters) and there is no change, normally the CPO does not need any further proof.

b. Promptly report any change on the SF 1190 that may affect the quarters allowance. Failure to report changes may cause an overpayment that may be subject to collection action.

c. Submit the completed SF 1190 when requested by the CPO. Failure to do so may result in stopping the payments because current data is needed as a basis for payments.

d. Report costs for a quarters allowance. Employees shall report actual costs when available; otherwise, they must estimate costs for utilities for the quarters allowance.

F. PROCEDURES

1. General.

a. The quarters allowance is payable to eligible civilian employees when government owned or leased quarters are not available at the employee's permanent duty station in the Panama Canal area.

b. When government quarters are available and are offered to the employee, but the employee elects not to accept them, the employee will not be eligible to receive the quarters allowance for the rental or purchase of quarters.

c. Employees are to be informed of the availability of government quarters before departure for overseas duty. If government quarters are available or it is estimated that they will become available within a reasonable time, refusal to accept such quarters creates no entitlement to a quarters allowance except:

(1) When there is a waiting list of eligible personnel available to occupy the same category of quarters offered to the employee.

(2) When the quarters cannot be assigned on a permanent basis.

d. The maximum quarters allowance payable is set by the DOS Allowance Staff (sections 120 and 130, DSSR). It is not intended to reimburse all costs or provide ostentatious housing.

e. An advance payment of the quarters allowance is authorized and may be paid under the provisions of section 113.3, DSSR. Any such advance will be repaid in full by the employee through regular biweekly payroll deductions or cash settlement not later than the expiration date of the period covered by the advance payment.

f. The quarters allowance may be withheld or stopped until acceptable documentation required by the CPO is submitted. If the documentation is received within a reasonable time, retroactive payment may be made. Retroactive payment also may be made upon presentation of appropriate documentation at the time of annual survey.

2. Determination of rates. Quarters allowance rates shall be in accordance with DoD 1400.25-M, CPM 592, paragraph 2-3 (reference (d)), to the extent the provisions of that paragraph are applicable and do not conflict with any provision of Public Law 98-600 (reference (a)) or this Instruction.

3. Special rules for Department of Defense Dependents Schools (DoDDS) teachers. Such rules shall be in accordance with DoD 1400.25-M, CPM 592, paragraph 2-5 (reference (d)) to the extent the provisions of that paragraph are applicable and do not conflict with any provision of Public Law 98-600 (reference (a)) or this Instruction.

G. MISCELLANEOUS PROVISIONS

1. Evacuation from foreign posts. When emergency conditions exist, and employees or their dependents or both are evacuated from their post, the regulations governing advance payments and evacuation payments published as part of chapter 600 of the DSSR shall be observed.

2. Waiver of claims. Instructions and procedures for processing applications for waiver of claims of the United States are contained in agency regulations. These claims result from erroneous disbursements of pay and allowance (other than travel and transportation expenses and allowances and relocation expenses) and are for refunds to or on behalf of present and former DoD employees.

3. Quarters allowance during nonpay status. The allowance granted under this Instruction will be continued under the conditions set forth in sections 051.2 and 132.2b.(2) of the DSSR (reference (c)). The allowance will not be paid for any period in which the employee is absent without leave or suspended for disciplinary reasons.

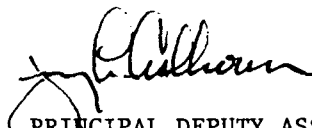
4. Early termination of quarters allowance. Under section 057 of reference (c) the head of a DoD Component may stop any allowance earlier than the dates specified in the Regulation if it is in the public interest. Under this authority, it has been determined that, when an employee is using sick or teacher leave pending disability retirement and is receiving an allowance, it shall be stopped 60 days after approval of retirement by the Office of Personnel Management. For an employee using sick or teacher leave after an application has been submitted for optional in lieu of disability retirement, the allowance shall be stopped 60 days after commencement of leave.

5. Rates subject to change. The rates authorized in the DSSR may be increased or decreased without notice. In order that employees and potential employees shall be informed fully with regard to the additional compensation received or to be received by them, whenever a quarters allowance rate is specified in a recruiting bulletin, examination announcement, statement of living and working conditions, a letter tending employment, or on a Standard Form (SF) 50, Notification of Personnel Action, this statement will be included: "The quarters allowance rate is subject to change without notice."

H. EFFECTIVE DATE

This Instruction is effective on October 1, 1984.

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